OFFICE OF FAIR TRADING

Completed acquisition by Archant Limited of the London Regionals Division of Independent News & Media plc

The OFT's decision on reference under section 22 given on 29 April 2004

PARTIES

Archant Limited (**Archant**) publishes local and regional newspapers and magazines in the UK, mainly in the south-west of England, East Anglia and the Home Counties. Prior to the merger it was the sixth largest publisher of weekly paid-for local and regional newspaper in the UK. Its UK turnover in the year to 31 December 2002 was £146 million. **Independent News & Media plc** (**INM**) is an Irish-based international communications group with operations in countries including the UK, Australia, New Zealand and South Africa. In the UK it owns *The Independent* and the *Belfast Telegraph*. Its five London local newspaper divisions that are the subject of this transaction formed the London Regionals Division, which had a turnover of £16.5 million in the year to 31 December 2002. They were: Post, East London, North London, North West London and Kent.

TRANSACTION

Prior to this transaction, INM's London Regionals Division was the subject of an anticipated acquisition by Newsquest (London) Limited, which was referred to the Competition Commission (CC) under the Fair Trading Act 1973 (FTA). That transaction was abandoned following the CC's Report in October 2003 (the CC Report)[1] which found the transfer of a number of INM London Regionals Division titles to be against the public interest. Archant then acquired three of the five divisions within INM London Regionals Division (i.e. Post (covering outer East London), East London and North London) on 11 December 2003 and agreed an option to acquire the North West London and Kent divisions. Having exercised the option, it acquired the two latter divisions on 30 December. On 29 December, the Communications Act 2003 repealed the special newspaper regime of the FTA and amended the Enterprise Act 2002 (the Act) such that all newspaper mergers now fall to be considered under the Act.

1 Cm 5951, Report on Newsquest (London) Limited and Independent News and Media PLC, October 2003.

The OFT has exercised its discretion under Section 27(5) of the Act to treat the acquisitions of 11 and 30 December as having occurred simultaneously on the 30 December. As a result, the statutory deadline for consideration of this merger is 29 April.

JURISDICTION

In making this reference to the CC, the OFT believes that it is or may be the case that a relevant merger situation has been created. The OFT believes the jurisdictional requirements of s 23 of the Act to be met on the basis that (i) Archant and the London Regionals Division of INM are enterprises that have ceased to be distinct; and (ii) the share of supply test is met. As a result of the acquisition, Archant now supplies more than 25 per cent of free and paid-for local newspapers in a substantial part of the UK. The parties questioned the OFT's rationale for believing that the share of supply test has been met in a 'substantial part' of the UK.

The OFT's approach on this issue takes into account a ruling of the House of Lords, past CC practice and OFT guidance.[2] In terms of past CC practice, under the FTA, the Mergers and Monopolies Commission, now the CC, has considered population among other factors as relevant, finding an area representing 1.1 per cent of UK population as a 'substantial part' of the UK.[3] In this case, the parties' overlapping local newspaper activities exceed 25 per cent of supply[4] in the contiguous London boroughs of Havering, Barking & Dagenham and Redbridge, which together represent just under 0.5 million residents over 15 years of age, or more than 1.1 per cent of the over 15 population of the UK, and as such represents an area of economic significance for local newspaper advertising. The parties' combined share of supply also represents more than 25 per cent of total circulation of free and paid-for local newspapers of a wider contiguous area of north-eastern Greater London which covering the following boroughs: City, Islington, Haringey, Hackney, Tower Hamlets, Newham, Waltham Forest as well as Havering, Barking & Dagenham and Redbridge. This wider area covers [3 per cent][5] of residents over 15 years of age in the UK. It also has the international economic significance of both the City and the Docklands area and, as the parties have noted in another context, the large-scale urban renewal in the Stratford area, representing areas of significant potential growth for local newspaper advertising.

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2 There is no statutory definition of 'a substantial part'. The House of Lords has ruled in the context of similar provisions in the FTA that, while there can be no fixed definition, the area(s) considered must be of such size, character and importance as to make it worth consideration for the purposes of merger control: see *Regina v MMC and another ex-parte South Yorkshire Transport Limited* [1993] 1 WLR 23. See further OFT substantive assessment guidance, May 2003, paragraph 2.25.

3 Report on Stagecoach Holdings plc/Chesterfield Transport (1989) Ltd, January 1996.

4 Based on circulation data from the industry organisation, the Joint Industry Committee for Regional Press Research, JICREG; see www.jicreg.co.uk

5 Typographic error.

These areas may also be regarded as having social significance due to the distinctive multicultural communities of East London, represented in the editorial and advertising content of some of the newspapers circulated in the area.

The OFT believes it is reasonable to consider any delineation of a contiguous area – whether restricted to three London boroughs (Havering, Barking & Dagenham and Redbridge) or broadened to the wider area of north-eastern London identified above – as being of sufficient size, character and importance to be worth consideration for the purposes of UK merger control and, accordingly, a substantial part of the UK. As the purpose of merger control here relates to protecting competition in local newspapers, the OFT considers its finding consistent with Archant's view that the acquisition of INM's North, East and Post divisions was of a 'significant strategic importance given the geographic proximity to our existing areas of publication and the enhancement it gives to our coverage in and around North and East London' (press release of 11 December 2003).

RELEVANT MARKET

Product market

The CC Report defined the relevant market as free and paid-for local newspapers (CC Report, paragraph 2.47).[6] In reaching its conclusion, the CC surveyed a range of advertisers in the region, the majority of whom did not regard a number of alternative means of advertising as an effective substitute for advertising in local paid or free newspapers. Nonetheless, we considered a number of advertising outlets that the parties argued were sufficiently good substitutes to discipline effectively their competitive conduct:

- advertising-only publications – Aside from the CC's finding, we note that these tend to have a larger footprint than local newspapers, for example East or North London, and, for several notable publications such as *Autotrader*, only affect one group of advertisers. It may be that future in-depth assessment reveals that certain advertising categories (e.g. property, cars) are or have become distinct markets, as suggested by differential pricing and {}.[7] We did not, however, have sufficient evidence to reach a view within the scope of this investigation which differs from the position, based on detailed customer surveys, taken in the CC Report. We also took the view that, for the purposes of this case, property titles containing some editorial content, such as the *Avenues* and *London Property News*, fall within this category as their content is almost entirely limited to

[6] The Competition Appeal Tribunal upheld on appeal the same approach to market definition by the OFT in *Aberdeen Journals v Director General of Fair Trading* [2003] CAT 11.

[7] Business secret excised at the request of the parties.

information on the property market and related businesses, as opposed to the broader scope of a local newspaper;

- local authority newspapers –The CC Report treated these separately from local newspapers when considering the constraint posed by new entrants. Our own survey of advertisers and councils suggested these publications were not regarded as an effective alternative. Although they are circulated to all households in a borough, actual readership may well be considerably lower. To the extent that circulation share data is used as a proxy indicator of market power, inclusion of such papers is problematic because their universal circulation would appear to overstate the constraint they actually pose on (commercial) free and paid-for local newspapers. Customers informed the OFT that the absence of (audited) data on readership makes these papers less attractive to advertisers;

- regional newspapers – Titles such as the *Metro* and *Evening Standard* carry little in the way of local advertising, drawing instead those advertisers seeking to reach a London-wide population. Examples of advertising provided by the parties suggest a degree of complementarity, such as the simultaneous publication of job adverts for an NHS trust. County-wide titles with a small overlap in London, such as the *Essex Enquirer*, also appear to fall in to this category as they carry advertising from throughout the region;

- national ethnic newspapers – despite the strong representation of ethnic groups served by titles such as *The Voice* and *Eastern Eye* in many of the areas considered in this report, advertising appears to be predominantly in line with that found in regional newspapers (mostly covering London or Birmingham) and could be considered complementary; and,

- non-JICREG listed newspapers – The industry database, JICREG, collates data on its paying members publications for their use to attract advertisers. According to the parties, it tends to omit recent launches and newspapers that aim solely at small local advertisers. At a late stage of the investigation the parties undertook site visits to some of the areas under consideration and identified several titles that they had previously not known to exist. Whilst this suggests that these titles pose a limited competitive constraint, at least in the near term, some of these are likely to have a competitive impact and thus have been taken in to account.

Whilst many of these alternatives may form constraints on individual advertisers or categories of advertisers, the ability of local newspapers to price discriminate between categories of advertiser and individual advertisers means that they are unlikely to form effective constraint in their own right. Accordingly, consistent with previous CC and OFT findings, a cautious approach is taken and the merger is examined with reference to free and paid-for local newspapers.

Leafleting companies often subcontract distribution to local newspaper groups. At a late stage in our investigation, it became apparent that both parties offer this service. From the information available it has not been possible to determine the extent to which leafleting forms a constraint on local newspapers; accordingly, a cautious approach is taken and leaflet distribution is considered in its own right.

Geographic market

In several previous cases, the CC has considered the geographic market for local newspapers to be local in dimension. The CC Report's approach in relation to the INM titles in question was to examine them as operating in a series of local newspaper markets in the London/Kent area. No convincing evidence was put to the OFT to support the notion that the overlaps and the mobile (commuter) nature of much of the readership would mean that London forms a single geographic frame of reference. Due to the overlapping areas of circulation (or footprints) of local newspapers, however, the precise boundaries of the geographic frame(s) of reference cannot clearly be determined. The industry's demarcation via JICREG of local areas deemed useful for advertising purposes is the best proxy available to us though, as the CC notes, JICREG areas cannot necessarily be regarded as representing relevant geographic markets in themselves (CC Report, paragraph 2.60).

HORIZONTAL ISSUES

The CC Report considered the post-merger share of circulation both within the area of circulation (or footprint) of an individual title being acquired and the individual JICREG areas covered by the footprint (CC Report, paragraph 2.62). In line with the CC's approach we have used both methods to assess the competitive effect of this merger. We have used two methods of analysis because reliance on the combined share of circulation within the acquired title's footprint alone can be misleading where there is a limited overlap between the titles of the merging parties, particularly if the acquired title's footprint includes one JICREG area with a disproportionately high share of that title's circulation.[8] To adjust for this, post-merger combined share of circulation figures for the footprint of an acquired title as a whole are supplemented by the percentage of the acquired title's circulation in those JICREG areas where there was an overlap and the post-merger combined share of total circulation exceeded 50 per cent. The second method of analysis, looking at the impact of the merger by individual JICREG area, assists in eliminating distortions that may arise by relying on circulation footprint alone. An area-by-area focus tends to reveal, perhaps most directly, the competing options facing an advertiser seeking to reach readers, via a local newspaper, in a given (JICREG) area. As such, it permits the OFT to examine more closely those JICREG

[8] The CC made this observation in reference to a reduction of publishers from 3 to 2 where one overlapping JICREG area accounted for 90 per cent of a title's circulation: see CC Report, paragraph 2.95.

areas where the transaction might lead to a substantial lessening of competition. We felt individual JICREG areas warranted further consideration as local newspapers' ability to price discriminate between different advertisers may allow them to discriminate between advertisers in different JICREG areas within a footprint. Finally, as circulation figures can overemphasise the effect of free newspapers (because advertisers appreciate that these may be widely circulated but not always read), readership figures are also included where available.

Market shares

Archant's post-merger national share of paid for and free local newspapers remains below 10 per cent and on a London-wide regional basis its share does not exceed 20 per cent, with Trinity and Newsquest both being more than twice its size. No issues are therefore raised at either level.

On a local level, the transfer of INM's North London, East London and Post (being outer East London) Divisions to Archant creates a number of significant overlaps detailed below. There is no overlap between Archant and INM's Kent Division, and very limited overlap with a less than 1 per cent increment in respect of the North West London Division. Accordingly, the latter two Divisions are not considered further.

In respect of an analysis centred on the circulation footprint of the acquired titles, the OFT has noted, by way of a guideline proposition, that those INM titles whose anticipated transfer (to Newsquest) the CC Report found against the public interest would all have resulted in a combined share of circulation above 60 per cent and would also have had more than 80 per cent of the acquired title's overall circulation in those JICREG areas where the post-merger share of circulation exceeded 50 per cent.[9] The CC has not prescribed, and the OFT does not intend to elevate, such a footprint analysis to a form of 'safe harbour' threshold, such that transfer of an INM title to Archant not meeting such criteria is presumptively free of competition concern. On the contrary, as discussed, an analysis by JICREG area may cause concerns masked by a footprint analysis. That said, when a circulation footprint analysis of Archant's acquired titles meets the share of circulation levels identified by the CC Report as being against the public interest, the OFT has taken the view that these facts in themselves suggest the transfer of such titles may give rise to competition concerns – unless the circulation increment is small and/or significant competitive constraints appear to be present.

North London Division

Analysis by circulation footprint of acquired title

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9 See CC Report, paragraph 2.94.

Three INM titles – *Islington Gazette*, *North London Weekly Herald* and the *Hornsey Journal* – overlap with Archant's *Ham and High*. In terms of the respective circulation footprints of the three acquired titles, the transfer of each title cannot be regarded as meeting the share of circulation-based criteria we have associated with the CC's concerns in the CC Report. The corresponding readership-based share data presents a similar picture.

Analysis by JICREG area

The CC Report identifies Archant's *Ham and High* as a strong competitor to INM's *Islington Gazette* in much of the latter's circulation area (CC Report, paragraph2.94). Similarly [][10] This assessment is confirmed when considering each of the JICREG areas in which the overlap occurs: in five individual JICREG areas – City, Islington, Highgate, Tufnell Park, and Holloway – post-merger, Archant is now effectively the sole provider of local JICREG-registered newspapers.[11] (The former INM share is accounted for in these areas by the *Islington Gazette* and the *North London Herald* series.) Whilst in the City the increment is only 2 per cent to INM's former 97 per cent share, the transfer of INM's North London titles to Archant does involves substantial increments (over 30 per cent by circulation; over 25 per cent by readership) in Islington, Highgate, and Tufnell Park and a significant (over 10 per cent) increment in Holloway. These data seem to show that prior to the merger the parties represented a competitive constraint upon each other – borne out by some customer concerns related specifically to the creation of a monopoly in Islington. The impact of the merger on competition for advertisers trying to reach readers in one or more of these areas may therefore be substantial.

In examining potential constraints on Archant in individual JICREG areas, the parties discovered that two non-JICREG newspapers were circulated in Islington. One is the *Islington Tribune*, a new launch by the publisher of the *Camden New Journal*. The other is the *City and Islington News*, an independent free newspaper circulated at pick-up points in Islington, the City, Holborn and Shoreditch. The history of entry and exit in local London newspapers suggests that such a title may or may not remain in circulation for long and that relying on such a constraint may be unjustified. Nonetheless, even by adopting the parties' assumptions as to the proportion of these titles circulated in Islington, the post-merger share of circulation in Islington remains substantial, reducing to approximately [].[12] No corresponding data was available on the other JICREG areas at issue.

Where Archant's acquisition of the North London division does not result in local newspaper monopoly in a JICREG area, it nonetheless reduced the number of

[10] Business secret excised at the request of the parties.

[11] This excludes extremely small circulation figures for such titles as *The Scotsman*, which is included in JICREG despite not being a local newspaper.

[12] Business secret excised at the request of the parties.

independent publishers of such papers from three to two. In areas accounting for 70 per cent of the *Ham and High's* circulation, Archant's only competitor based on JICREG data is now the *Camden New Journal*. Although the nature of local newspapers may mean that many JICREG areas are generally characterised by only two major providers, it appears that pre-merger Archant, INM and Camden New Journal were competing profitably. Evidence from our investigation suggested that newspapers already enjoyed substantial price discrimination. The degree of such discrimination might well increase in the absence of INM as a strong second or third player. The loss of INM as an independent company might therefore result in the elimination of an important competitive constraint.

<u>East London Division</u>

Analysis by circulation footprint of acquired title

Focussing on their respective circulation footprints, the transfer of both the *Stratford Express* and *Hackney Gazette*, raise competition concerns as the post-merger shares exceed the levels at which the CC identified concerns in its Report. In the case of the latter title, however, the increment is around 1 per cent, which suggests that any lessening of competition is not substantial.

The *Stratford Express* competes with Trinity's *The Wharf*, which has less than 10 per cent of circulation. The parties cite a number of non-JICREG papers, most of which fall outside the frame of reference, but two may form a constraint. One is the *Docklands News*. This is an independently published free newspaper created to serve the inhabitants of the former Docklands Development Corporation area and only switched from monthly to weekly distribution in March. From the information available, the geographical overlap with the parties' newspapers is limited. The other is the *East London Enquirer*, which appears to be the East London edition of the *Essex Enquirer*, and has low circulation figures. Even allowing for the parties' assumptions on the proportion of the [other titles][13] circulation distributed within the footprints of the parties' titles, as a result of the merger, Archant has a [][14] share of circulation in the *Stratford Express* footprint.

Analysis by JICREG area

[][15] In our assessment of the transfer of the East London division titles in relation to these and other JICREG areas, no data was available for the non-JICREG titles identified by the parties, the *Docklands News* or *East London Enquirer.* Given what is known about the footprints of the local newspapers in each area, the transfer of two East

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[13] Typographic error
[14] Business secret excised at the request of the parties.
[15] Business secret excised at the request of the parties.

London titles appears to create a monopoly provider of JICREG local papers in six JICREG areas, although the increment is relatively low in three of them, i.e. Bethnal Green, Hackney and Shoreditch. In contrast, in the other three, namely East Ham, Forest Gate, and Plaistow where monopolies are created via transfer of the *Stratford Express*, the increment is significant (20 per cent, 15 per cent, 33 per cent, respectively) and these three areas account for 63 per cent of the title's circulation. These data seem to show that the parties represented a competitive constraint upon each other – borne out by some customer concerns related specifically to the creation of monopolies in Newham, Stratford and Hackney. Again, the *Stratford Express* transfer would appear to have a substantial impact on competition for advertisers trying to reach readers in these latter three areas.

The remaining former INM title is the *East London Advertiser*. As with the *Stratford Express*, its only JICREG-listed competitor in its circulation areas (Bethnal Green, Bow, Poplar, Stepney, Whitechapel) is Trinity's *The Wharf*.[16] Across the footprint of the *East London Advertiser* as a result of the merger Archant now has approximately 40 per cent of circulation and 60 per cent of readership, with increments of less than 10 per cent and 15 per cent respectively. A constraint in such areas may be the *Docklands News*, for which area circulation data has not been available, but its circulation appears to focus on the more narrow area of the Docklands. Aside from the possible presence of this title in some of these areas, transfer of the *East London Advertiser* to Archant reduces from three to two the number of apparently profitable competitors in the JICREG areas of Bow, Poplar, Stepney, and Whitechapel. Evidence from our investigation suggested that newspapers already enjoyed substantial price discrimination. The degree of such discrimination might well increase in the absence of INM as a strong second or third player. The loss of INM as an independent company might therefore result in the elimination of an important competitive constraint.

<u>Post Division</u>

Analysis by circulation footprint of acquired title

The acquisition of both the *Barking and Dagenham Post*[17] and the *Romford and Havering Post* created a share of circulation and readership in excess of 60 per cent (increment approximately 10 per cent) and more than 80 per cent of each title's circulation is in JICREG areas where the post-merger share of circulation exceeded 50 per cent. As noted, these facts in themselves suggest that the acquisition of these titles raises competition concerns, particularly in light of the CC Report.

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[16] In Bethnal Green, Trinity is not present, though the creation of monopoly is via a small (9 per cent) increment.

[17] This excludes the Weekender edition, which was not defined as a newspaper in the reference that led to the CC Report.

Analysis by JICREG area

Archant's internal analysis was that [][18] Some customer concerns related specifically to the creation of a monopoly in Barking. Analysis of JICREG data confirms that the merger does reduce the number of apparently profitable competitors from three to two across a number of JICREG areas. Only Archant and Trinity are now found in ten JICREG areas within the footprints of the *Barking and Dagenham Post* and the *Romford and Havering Post*; the same applies to a further three JICREG areas in the footprint of the former INM title *Ilford and Redbridge Post*. In only two of these is the increment less than 10 per cent and in five it is above 25 per cent. No non-JICREG local free and paid-for newspapers appear to operate in the area covered by these titles. Accordingly the transfer of each of the three titles of the Post Division represents a reduction from three to two apparently profitable competitors. Evidence from our investigation suggested that newspapers already enjoyed substantial price discrimination. The degree of such discrimination might well increase in the absence of INM as a strong second or third player. The loss of INM's London Regionals Division as an independent company might therefore result in the elimination of an important competitive constraint.

<u>Leaflet distribution</u>

Prior to the merger, INM's leafleting activities generated a turnover of [].[19] Although it is not clear to what extent leafleting activities are constrained by hand delivery services or those offered by the Royal Mail, the level of turnover suggests this is not significant issue.

Barriers to entry and expansion

Entry or expansion by launching a free local newspaper appears to be relatively easy. However, the number of successful entries in London in the last 5 years is very low. The CC only noted two new local newspapers, although the parties have identified at least two new titles from smaller publishers in North London. This may reflect a tendency in local newspaper groups to cluster and 'live and let live' with neighbouring major newspaper groups, rather than launch competing titles in new areas. It may be a reflection of the decline in the advertising market in recent years, although the titles under consideration appear to have healthy margins. Overall, the evidence on the likelihood of entry or expansion is such that we cannot rely on either as an effective competitive constraint.

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[18] Business secret excised at the request of the parties.
[19] Business secret excised at the request of the parties.

Buyer power

Even if certain individual advertisers in areas where a competitor continues to operate have a degree of buyer power, the ability to price discriminate prevents this protecting other customers. A recent price increase [][20] reinforces this view.

THIRD PARTY VIEWS

The majority of advertisers who responded to our enquiries were concerned about the transaction, particularly in relation to certain areas. The majority of competitors expressed no concerns.

ASSESSMENT

The merger creates a relevant merger situation by virtue of Archant having ceased to be distinct with the London Regionals Division of INM and by virtue of Archant's resulting share of supply of free and paid for local newspapers in a substantial part of the UK. Consistent with previous inquiries, the frame of reference in this case concentrates on local markets and on local newspapers. The term 'local newspaper' generally excludes those titles not carrying a mixed range of news and advertising focussing on a local area, and those operated by a local authority.

The OFT has analysed the transfer of individual INM titles to Archant from both the perspective of Archant's post-merger share of circulation in the footprint of former INM titles, and from the perspective of advertisers wishing to reach customers in one or more JICREG areas. The transfer of three titles (*Stratford Express*, *Barking and Dagenham Post* and *Romford and Havering Post*) present significant share increments, and each results in a post-merger share of circulation within the footprint in excess of 60 per cent, with more than 80 per cent of the acquired title's circulation in JICREG areas where the post-merger share exceeds 50 per cent. The CC recently found the anticipated transfer of various INM titles that may be characterised in these terms to be against the public interest. Moreover, the transfer of these three titles and four further titles (*Islington Gazette*, *North London Herald*, *East London Advertiser* and the *Ilford and Redbridge Post*) either confer a monopoly on Archant of JICREG-registered newspapers in a significant number of JICREG areas, or reduce from three to two the number of apparently profitable competitors. Newspapers already appear to enjoy substantial price discrimination as between advertiser customers. Such discrimination might well increase in the absence of INM as a strong competitor. The merger may therefore have resulted in the elimination of an important competitive constraint on advertising rates in those areas.

The parties proposed that the alternative purchasers would lead to a more substantial lessening of competition. Even if this were an argument against reference, we note that transactions involving alternative buyers identified by the parties have been considered by the CC and the Department of Trade and Industry (DTI). Although the parties believe such decisions were in error, with appropriate divestments to specified alternative purchasers, both transactions were cleared by the CC and DTI. Any assessment of this transaction in the light of those decisions would therefore require a similar level of scrutiny.

In considering the merger we have also considered the efficiencies said to enhance rivalry, which were proposed by the parties. Whilst we acknowledge that the merger creates a third major supplier of local newspapers in London and potential rival on a regional scale it is not clear that enhanced regional rivalry across London would outweigh any lessening of competition in the local areas covered by existing titles.

Consequently, the OFT believes that it is or may be the case that the merger has resulted or may be expected to result in a substantial lessening of competition within a market or markets in the United Kingdom.

There are a number of exceptions to the OFT's duty to refer, which were cited by the parties, namely that a market is of insufficient importance to warrant reference, that customer benefits outweigh any detriments created by the merger, or that undertakings offered in lieu of reference remedy the detriments created.

The markets at issue are of sufficient importance to warrant reference.[21] The annual revenue of each of INM's North, East and Post Divisions alone exceeds[].[22]

Customer benefits, in terms of lower prices from synergies and increased investment in publishing technology, must be clear, quantifiable and merger specific for the OFT to rely on them.[23] These criteria were not met on the basis of the evidence presented to us, nor is it clear that any customer benefits that could be shown would outweigh any substantial lessening of competition.

The parties offered undertakings in lieu of reference. [Our analysis][24] precludes a finding that the proposed remedy [][25] is clear-cut and capable of ready implementation. The proposed remedy package fails in any event to resolve the competition concerns

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[20] Business secret excised at the request of the parties.
[21] OFT Mergers Guidelines: Substantive Assessment, p44.
[22] Business secret excised at the request of the parties.
[23] OFT Mergers Guidelines: Substantive Assessment, p47.
[24] Business secret excised at the request of the parties. Explanatory text added.
[25] Business secret excised at the request of the parties.

identified in relation to transfer of [][26] other INM titles. Accordingly, the remedies proposed cannot be accepted as undertakings in lieu of reference.

DECISION

This merger will therefore **be referred** to the Competition Commission under section 22(1) of the Act.

[26] Business secret excised at the request of the parties.